

JUNE 2005 HIGHLIGHTS

- The housing boom continues. New Jersey municipalities reported \$1.464 billion of construction. This was the highest monthly total in the more than ten years that the Department of Community Affairs has published monthly construction data.
- Residential construction accounted for \$855 million, 58.4 percent. New houses amounted to \$553.1 million, 37.8 percent of all authorized work. Nonresidential structures made up \$608.5 million, 41.6 percent of all activity. The number of municipalities reporting this month was 548.

Top Municipalities

- The City of Hoboken and Jersey City, both in Hudson County, had the most work in June. Housing accounted for most of this activity. Hoboken had \$43.2 million of construction, 84 percent of which was residential development. The City construction office issued permits for 167 dwellings in June, all but one of which was from three new developments that have a combined construction cost of \$33.5 million. Just over half of the \$34 million reported in Jersey City was for housing.
- The City of Newark in Essex County had the most new houses in June: 235 authorized dwellings. Englewood City in Bergen County reported 180, all of which are luxury condominiums from a new, mixed-use development that will have commercial space, as well. The estimated cost of the development thus far is \$21 million.

Mid-Year Review

- Mid-year indicators suggest that 2005 is on pace as a record year for the construction industry. New Jersey's big cities continue to be at the center of this activity. Total authorized construction is up nearly 10 percent compared to this time last year.
- Residential construction is up. The number of new houses authorized by building permits is 2.8 percent higher than the first half of 2004. Last year, the housing industry built new homes at a level not seen in more than 15 years. New retail space is up by 1.3 million square feet compared to this time last year. Office construction, however, is down by 7.3 percent.
- Jersey City reported the most work in the first half of 2005: \$395.8 million. New houses accounted for 78.1 percent of this total. The City had 1,680 authorized dwellings between January and June 2004, more than any other locality.
- Atlantic City in Atlantic County had \$209.7 million of construction. More than half was from the north expansion of the Borgata Hotel Casino & Spa.

- Newark had \$158 million of activity reported on building permits. Nearly half of this total was from the construction of new houses.

Major Construction Indicators, New Jersey: Six-Month Comparison				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – June 1997	\$3,926,007,970	12,824	3,527,402	2,622,495
January – June 1998	\$4,121,149,094	15,139	4,780,300	4,128,120
January – June 1999	\$4,994,367,961	16,809	5,254,870	3,596,066
January – June 2000	\$4,798,965,724	16,849	5,972,159	2,233,888
January – June 2001	\$6,157,204,386	16,834	9,771,589	3,244,421
January – June 2002	\$5,530,176,347	15,026	4,717,733	4,255,238
January – June 2003	\$5,331,838,015	15,060	4,572,969	3,116,205
January – June 2004	\$6,449,484,680	18,075	5,510,963	1,816,673
January – June 2005	\$7,081,730,877	18,587	5,106,005	3,158,251
<i>Difference Between 2004 and 2005</i>				
2004-2005	\$632,246,197	512	-404,958	1,341,578
Percent Change	9.8%	2.8%	-7.3%	73.8%
Source: N.J. Department of Community Affairs, 8/8/05				

- Warren Township in Somerset County had \$80.9 million of construction. About 85 percent of this total was for a new, special-education center for the developmentally disabled.

New House Prices

- The price of a new house continues to rise in New Jersey. A total of 5,689 new houses were built, occupied, and began enrollment in a new home warranty program between April 1 and June 30, 2005. Half of these new houses had a sale price greater than \$375,000. The median sale price reported this time last year was \$350,000.
- Hunterdon and Bergen Counties had the most expensive new homes. The median sale price in Hunterdon was \$587,561. In Bergen, it was \$580,000.

New House Prices			
Period	Number of New Houses	Median Sale Price	Percent Change in Sale Price
1996	20,903	\$183,300	
1997	21,640	\$190,000	3.7%
1998	23,884	\$209,980	10.5%
1999	24,479	\$224,496	6.9%
2000	25,058	\$231,728	3.2%
2001	23,372	\$253,670	9.5%
2002	23,647	\$274,705	8.3%
2003	22,226	\$307,168	11.8%
2004	23,844	\$349,900	13.9%
1 st Quarter 2004	4,924	\$326,652	
2 nd Quarter 2004	6,350	\$350,000	7.1%
3 rd Quarter 2004	6,219	\$350,539	0.2%
4 th Quarter 2004	6,351	\$365,000	4.1%
1 st Quarter 2005	4,614	\$357,604	-2.0%
2 nd Quarter 2005	5,689	\$375,000	4.9%
Source: N.J. Department of Community Affairs, 8/8/05			

